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## Honolulu Firm's Bankruptcy Is Linked To Possible Suicide Attempt, CIA Data

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The involuntary bankruptcy of a Honolulu-based investment firm that allegedly defrauded investors apparently has triggered a number of bizarre events, including the attempted suicide of the firm's chairman. It also has prompted an investigation to determine whether the firm's records might disclose sensitive information relating to the Central Intelligence Agency.

The firm, Bishop, Baldwin, Rewald, Dillingham & Wong Inc., is accused by the Securities and Exchange Commission of defrauding private investors, whom it encouraged to invest in "tax-deferred investment savings accounts."

On Monday, the Los Angeles regional office of the SEC filed a lawsuit and obtained a court order in federal court in Honolulu, freezing Bishop Baldwin's assets and the personal assets of its chairman, Donald R. Rewald.

According to documents filed with the suit, the amount that investors put in totaled about \$17 million. But SEC officials said a preliminary investigation by a court-appointed bankruptcy trustee indicates that the total may have been much larger. The SEC said in court documents that the bankruptcy trustee so far has been able to locate only about \$200,000 of the firm's assets.

### Claims Link to CIA

Bishop Baldwin was forced into involuntary bankruptcy last Thursday by four clients who claim they were victimized by the firm. The following day, Mr. Rewald reportedly slashed his wrists. He remained hospitalized until Monday night, when he was discharged and arrested by Honolulu police on theft charges related to his activities at Bishop Baldwin. One of Mr. Rewald's lawyers, Peter C. Wolff Jr., said Mr. Rewald remained in custody last night.

Mr. Rewald reportedly has claimed publicly that he did work on behalf of the CIA. Two weeks ago, according to SEC court documents, one of Mr. Rewald's bodyguards removed files from the firm's office. The firm subsequently refused to turn over the documents to the bankruptcy trustee, claiming that they related to national security matters. But the documents finally were turned over to a federal judge on Sunday.

The SEC evidently isn't discounting entirely the possibility of CIA involvement by the firm. When the documents were turned over, the SEC asked Judge Martin Pence to seal them and has asked U.S. intelligence officials to fly from Washington to review the documents to determine if they do indeed relate to intelligence matters.

Mr. Wolff declined to comment on any of the accusations pending against Mr. Rewald or on the alleged CIA involvement. Asked whether there was any solid indication of the firm's involvement with intelligence activities, Mr. Wolff said: "It's too confused to be able to make a responsible comment at this point."

A spokesman for the CIA in Washington said the agency wouldn't have any comment on the matter while it still is the subject of a federal law enforcement investigation.

### Promised Return of 20%

According to court documents, Bishop Baldwin promised investors an annual return of at least 20% and claimed falsely that its accounts were insured by the Federal Deposit Insurance Corp. The firm claimed that it could obtain such high returns in part by investing in highly profitable investments in Hong Kong and elsewhere overseas.

The full name of the firm, Bishop, Baldwin, Rewald, Dillingham & Wong, contains the names of three very prominent Hawaiian families, the Bishop, Baldwin and Dillingham families. But an SEC official said that, apparently, no one related to those families was affiliated with the firm.

The bankruptcy trustee has located records showing that Mr. Rewald "has been actively misappropriating investors' funds in the account by using the funds to pay, at a minimum, \$30,000 of personal expenses a month," the SEC documents stated.